

Message Text

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PAGE 01 STATE 104823
ORIGIN EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /128 R

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DOE: J SCHICK (SUBS)

-----045743 250438Z /61

R 250057Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY PARIS

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USOECD

E.O. 11652:N/A

TAGS: ENRG, OECD

SUBJECT:TALKING POINTS FOR APRIL 25 CEP

ITEM 6. SITUATION IN THE INTERNATIONAL OIL MARKET

ADDITIONAL TALKING POINTS:

-- IN PARA 11 THE REPORT STATES THAT SURPLUS CAPACITY AND
SLUGGISH ECONOMIC GROWTH CAUSED NORTH SEA AND ALASKAN CRUDE
PRODUCERS DIFFICULTIES IN SELLING THEIR OIL. A MORE SIG-
NIFICANT FACTOR IN THE CASE OF THE LATTER HAS BEEN TRANS-
PORTATION AND DISTRIBUTION DIFFICULTIES.

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-- THE REPORT REFERS IN PARA 15 TO CHANGES IN U.S. AIR POL-
LUTION CONTROL RULES AS ONE OF THE REASONS FOR A LOWER
DIFFERENTIAL BETWEEN HEAVY AND LOW SULFUR FUEL OIL. WE ARE
UNAWARE OF ANY CHANGES THAT WOULD HAVE THIS EFFECT.

ITEM 7. ANNUAL REPORT TO THE COUNCIL ON THE OIL STOCKS

SITUATION IN OECD COUNTRIES.

REPORT NOT RECEIVED BY THE DEPARTMENT IN TIME.

ITEM 9. U.S. ENERGY SITUATION

ADDITIONAL TALKING POINTS.

-- ON APRIL 21 A LEADERSHIP GROUP OF THE HOUSE AND SENATE
CONFERENCE COMMITTEE ON NATURAL GAS PRICING LEGISLATION
REACHED AGREEMENT ON THE FOLLOWING POINTS:

(1) NEWLY PRODUCED NATURAL GAS WILL START AT \$1.93
PER THOUSAND CUBIC FEET AND MAY REACH \$4.05 MCF BY JANUARY
1, 1985 WHEN CONTROLS EXPIRE; THE ESCALATOR WILL BE THE
RATE OF INFLATION PLUS 3.7 PER CENT UNTIL 1981 AND THEN
THE RATE OF INFLATION PLUS 4.2 PER CENT.

(2) AFTER JUNE 1985 THE PRESIDENT OR CONGRESS MAY RE-
IMPOSE CONTROLS FOR 18 MONTHS BUT NO CONTROLS WILL REMAIN
AFTER DECEMBER 1988.

(4) PRICE CONTROLS AND NEW GAS PRICES WILL ALSO APPLY
TO THE INTRASTATE MARKET WHEN THE LEGISLATION IS ENACTED.

THIS AGREEMENT MUST NOW BE APPROVED BY THE FULL CONFERENCE
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COMMITTEE.

-- ENERGY TAXES HAVE STILL TO BE CONSIDERED BY THE FULL
CONFERENCE COMMITTEE. VANCE

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Message Attributes

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Draft Date: 25 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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Disposition History: n/a
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TAGS: ENRG, US, OECD
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